

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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WAUSAU UNDERWRITERS INSURANCE
COMPANY and AXIS SPECIALTY INSURANCE
COMPANY,

Plaintiffs,

-against-

QBE INSURANCE CORPORATION and
SCOTTSDALE INSURANCE COMPANY,

Defendants.

SCOTTSDALE
INSURANCE
COMPANY'S REPLY
TO CROSS-
COMPLAINT

Docket No.:
06 CV 3212

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Defendant, SCOTTSDALE INSURANCE COMPANY, by its attorneys, KRAL, CLERKIN, REDMOND, RYAN, PERRY & GIRVAN, LLP as and for a reply to QBE INSURANCE CORPORATION's cross-complaint contained in the verified answer of defendant, QBE INSURANCE CORPORATION respectfully responds as follows upon information and belief:

1. Denies each and every allegation contained in Paragraph "23" of the defendant QBE INSURANCE CORPORATION's cross-complaint.
2. Denies each and every allegation contained in Paragraph "24" of the defendant QBE INSURANCE CORPORATION's cross-complaint.

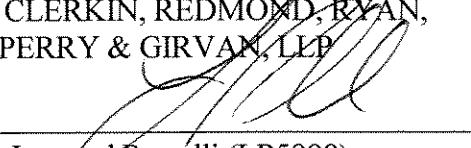
WHEREFORE, it is respectfully urged that the cross-complaint of the defendant, QBE INSURANCE CORPORATION, be dismissed in its entirety along with such other and further relief as this court deems just and proper.

Dated: Mineola, New York
June 30, 2006

Yours, etc.,

KRAL, CLERKIN, REDMOND, RYAN,
PERRY & GIRVAN, LLP

By: _____


Leonard Porcelli (LP5998)

Attorneys for Defendant

SCOTTSDALE INSURANCE COMPANY
69 East Jericho Turnpike
Mineola, N.Y. 11501
(516) 742-3470
File # 111059c

TO: JAFFE & ASHER, LLP
Attorneys for Plaintiffs
WAUSAU UNDERWRITERS INS.
CO. and AXIS SPECIALTY INS. CO.
600 Third Avenue, 9th Floor
New York, New York 10016
(212) 687-3000

William H. Bave, Jr. (0349)
WILSON, BAVE, CONBOY, COZZA &
COUZENS, P.C.
Attorneys for Defendants
QBE INSURANCE CORPORATION
Two Williams Street
White Plains, NY 10601
(914) 686-9010

VERIFICATION

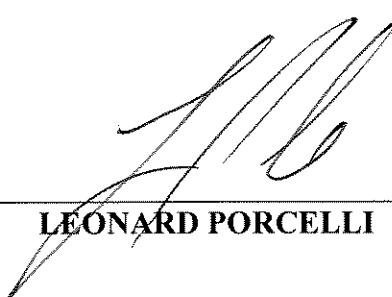
STATE OF NEW YORK)
)
COUNTY OF NASSAU)

LEONARD PORCELLI an attorney admitted to practice in the Courts of New York State, states that he is a member of the law firm of KRAL, CLERKIN, REDMOND, RYAN, PERRY & GIRVAN, LLP, attorneys for Defendant, SCOTTSDALE INSURANCE COMPANY, in the within action, that he has read the foregoing **SCOTTSDALE INSURANCE COMPANY'S REPLY TO CROSS-COMPLAINT** and knows the contents thereof, that the same is true to his own knowledge, except for the matters therein stated to be alleged on information and belief, and that as to those matters he believes them to be true.

Affirmant further states that the reason this verification is made by your affirmant and not by the Defendant, is that the Defendant does not have his residence in Nassau County, the County in which affirmant has his offices.

The grounds of affirmant's belief as to all matters not stated upon affirmant's knowledge are as follows: Based on a review of the materials from and contents of litigation file thus far maintained by your affirmant's office.

Dated: Mineola, New York
June 30, 2006


LEONARD PORCELLI

STATE OF NEW YORK)

COUNTY OF NASSAU) ss:

AMANDA R. MCCASKEY, being duly sworn, deposes and says:

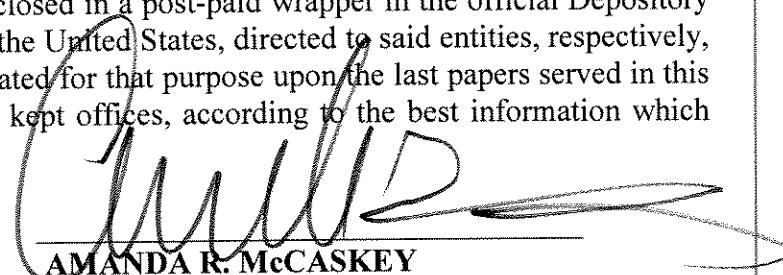
That she is the secretary for the attorney for the within named defendants

That she is over the age of 18 years, that she is not a party to the above-entitled action, and that on the 30 June 2006, she served the within **SCOTTSDALE INSURANCE COMPANY'S REPLY TO CROSS-COMPLAINT** upon the following attorney(s), in the following place(s) and in the following manner:

TO: JAFFE & ASHER, LLP
Attorneys for Plaintiffs
WAUSAU UNDERWRITERS INS.
CO. and AXIS SPECIALTY INS. CO.
600 Third Avenue, 9th Floor
New York, New York 10016
(212) 687-3000

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COUZENS, P.C.
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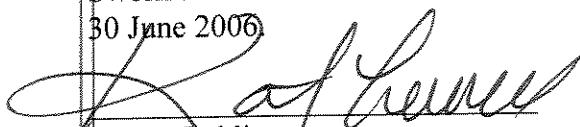
by depositing a copy of same properly enclosed in a post-paid wrapper in the official Depository maintained and exclusively controlled by the United States, directed to said entities, respectively, at said address(es) within the State designated for that purpose upon the last papers served in this action or the place where the above then kept offices, according to the best information which can be conveniently obtained.



AMANDA R. McCASKEY

Sworn to before me on this

30 June 2006



Notary Public

KATRINA NEWELL
Notary Public, State of New York
No. 01NE6133071
Qualified in Queens County 09
Commission Expires September 6, 2009